

OBRA FORMULA FOR FISCAL YEAR 2000/01

$$\begin{array}{l} \text{OBRA 1993} \\ \text{Hospital Specific} \\ \text{Limit} \end{array} = \left(\begin{array}{c} \text{Medi-Cal/Uninsured} \\ \text{Expenses} \end{array} \right) - \left(\begin{array}{c} \text{Medi-Cal/Uninsured} \\ \text{Revenues} \end{array} \right)$$

Medi-Cal/Uninsured Expenses

$$\text{Medi-Cal/Uninsured Expenses} = \left(\frac{\text{Projected Total Hospital Expenses For FY 00/01}}{\text{Patient Mix}} \right) \left(\text{Medi-Cal/Uninsured} \right) + \left(\text{Demonstration Project Expenses}^1 \right)$$

Where,

$$\text{Projected Total Hospital Expenses For FY 00/01} = \left(\frac{\text{Projected Adjusted Hospital Operating Expenses For FY 00/01}}{\text{Expenses For FY 00/01}} \right) + \left(\frac{\text{Estimated FY 00/01 CRRP Costs (From Survey)}}{\text{CRRP Costs (From Survey)}} \right) - \left(\frac{\text{Estimated FY 00/01 Medi-Cal Administrative Activities (From Survey)}}{\text{Medi-Cal Administrative Activities (From Survey)}} \right)$$

Where,

$$\text{Projected Adjusted Hospital Operating Expenses For FY 00/01} = \left[\left(\frac{\text{Total Operating Expenses}^2}{\text{(L0820001)}} \right) + \left(\frac{\text{Bad Debt}^2}{\text{(L1242025)}} \right) - \left(\frac{\text{CRRP Costs For FY Ending In 1998 (From Survey)}}{\text{CRRP Costs For FY Ending In 1998 (From Survey)}} \right) \right] \left(\text{Trend Factor} \right)$$

and where,

$$\text{Trend Factor} = \left[\left(\frac{\text{Medicare Market Basket Percentage for FFY1999}}{\text{Medicare Market Basket Percentage for FFY1999}} \right) \left(\frac{\text{Hospital 1998 FY End Month Adjustment Factor}}{\text{Hospital 1998 FY End Month Adjustment Factor}} \right) + 1 \right] \left[\left(\frac{\text{Medicare Market Basket Percentage for FFY 2000}}{\text{Medicare Market Basket Percentage for FFY 2000}} \right) + 1 \right] \left[\left(\frac{\text{Medicare Market Basket Percentage for FFY 2001}}{\text{Medicare Market Basket Percentage for FFY 2001}} \right) + 1 \right]$$

1. Demonstration project expenses are determined based on the terms and conditions of an approved federal Medicaid demonstration project.
2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 1998.

(continued next page)

$$\text{Medi-Cal/Uninsured Patient Mix} = \frac{\left(\begin{array}{l} \text{Total Medi-Cal} \\ \text{In/Outpatient Charges}^1 \\ \text{(L1241505 + L1241507} \\ \text{+ Managed Care Charges} \\ \text{+ Short/Doyle Charges)} \end{array} \right) + \left(\begin{array}{l} \text{Total County Indigent Program} \\ \text{In/Outpatient Charges}^2 \\ \text{(L1241509 + L1241511)} \end{array} \right) + \left(\begin{array}{l} \text{Total Uninsured} \\ \text{In/Outpatient Charges}^2 \\ \text{(L1241517 + L1241519)} \end{array} \right)}{\text{Total In/Outpatient Charges}^2 \text{ (L1241525)}}$$

1. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 1998 and the OSHPD Confidential Discharge Data files for calendar year of service 1998. Also from the San Mateo, Santa Barbara, Solano, Orange (for 12/98*) and Napa (for 10/98 through 12/98*) county plans paid claims files and the Medi-Cal Short/Doyle paid claims files for calendar year of service 1998 with dates of payment through May 2000.
2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 1998.

* The balance of the data for Napa and Orange counties is picked up from the Confidential Discharge file estimates.

Medi-Cal/Uninsured Revenues

$$\begin{aligned}
 \text{Medi-Cal/Uninsured Revenues} = & \left(\begin{array}{c} \text{Total Medi-Cal} \\ \text{In/Outpatient} \\ \text{Revenues For CY} \\ \text{of Payment 1999}^1 \end{array} \right) + \left(\begin{array}{c} \text{Estimated} \\ \text{FY 00/01} \\ \text{CRRP Revenues} \\ \text{(From Survey)} \end{array} \right) + \left(\begin{array}{c} \text{Emergency Services/} \\ \text{Supplemental Payments} \\ \text{Revenues} \\ \text{(SB1255 Funds Paid} \\ \text{or Payable} \\ \text{For FY 00/01)}^2 \end{array} \right) + \left(\begin{array}{c} \text{Estimated FY 00/01} \\ \text{Targeted Case} \\ \text{Management Revenues} \\ \text{(From Survey)} \end{array} \right) \\
 & + \left[\left(\begin{array}{c} \text{Uninsured Cash} \\ \text{Payments}^3 \\ \text{(L1246017 + L1246019)} \end{array} \right) (\text{Trend Factor}^4) \right] + \left(\begin{array}{c} \text{00/01 Demonstration} \\ \text{Project Revenues}^5 \end{array} \right) \\
 & + \left(\begin{array}{c} \text{00/01 Graduate Medical} \\ \text{Education Revenues}^2 \end{array} \right) + \left(\begin{array}{c} \text{99/00 CMAC} \\ \text{Overpayments}^6 \end{array} \right)
 \end{aligned}$$

1. From the Medi-Cal paid claims files, Medi-Cal Short/Doyle paid claims files, Medi-Cal Inpatient Psychiatric paid claims files, the San Mateo, Santa Barbara, Solano, Napa, Orange, Santa Cruz (for 2/99 through 12/99*), and Monterey (for 10/99 through 12/99*) county plans paid claims files and data collected from the Medi-Cal Managed Care plans for calendar year of payment 1999.
2. From CMAC.
3. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 1998.
4. Same as the Trend Factor calculated on page two.
5. Demonstration project revenues are determined based on the terms and conditions of an approved federal Medicaid demonstration project.
6. Additional 1999/00 SB1255 and/or Graduate Medical Education payments that caused a hospital to exceed their 1999/00 OBRA payment limit.

* The balance of the data for Santa Cruz and Monterey counties will come from the managed care survey.